



**ECONOMIC IMPACT ANALYSIS OF
INCLUSIONARY HOUSING PROGRAM
IN OAKLAND**

TECHNICAL APPENDICES

Prepared for the
CITY OF OAKLAND

Prepared by
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APPENDIX A

BACKGROUND ON COST AND REVENUE ASSUMPTIONS FOR BASE CASE PRO FORMAS FOR OAKLAND HOUSING DEVELOPMENT PROTOTYPES

**TABLE A-1
BACKGROUND ON LAND COSTS**

Prototype	Density	Land Cost per Unit	Land Cost per SF Land
A - West Oakland/East Oakland	30-35	\$45,000	\$31-36
B - North Oakland/West Oakland	30-35	58,000	40-47
C - East Oakland/West Oakland	50-60	27,000	31-37
D - North Oakland	80-100	50,000	91-115
E - Downtown	100-140	56,000	129-180
F - Downtown	140-167	50,000	160-192
G - Downtown	200-300	44,000	202-303

Source: Hausrath Economics Group

**TABLE A-2
BACKGROUND ON SITE DEVELOPMENT COSTS**

Prototype	Density	Option 1 @ \$30 per SF Site		Option 2	
		Site Dev Cost per Unit	Midpoint	Site Cost per Unit	Cost per SF Site
A	30-35	\$37,337 - 43,560	\$40,449	\$52,000	\$36-42
B	30-35	37,337 - 43,560	40,449	43,500	30-35
C	50-60	21,780 - 26,136	23,958	10,800	12-15
D	100	13,068	13,068	14,400	33
E	100-140	9,334 - 13,068	11,201	12,000	28-39
F	150-167	7,825 - 8,712	8,269	10,000	34-38
G	200-300	4,356 - 6,534	5,445	9,000	41-62

Source: Hausrath Economics Group

**TABLE A-3
BACKGROUND ON HARD COSTS
(Including Construction and Site Development)**

Table shows three ways of estimating/evaluating costs

Prototype	Building Cost per Unit	Building Cost per SF Unit	Parking Cost per Unit / Space	Site Development per Unit (Opt. 1)	Landscape / Hardscape per Unit	% Site	Total	Rounded	Per SF Unit
A	\$195,000	\$150	incl. with bldg.	\$40,450	\$24,000	30%	\$259,450	\$260,000	\$200
B	246,500	170	incl. with bldg.	40,450	16,000	20%	302,950	304,500	210
C	181,400	168	18,000	16,000	5,000	12%	220,400	216,000	200
D	244,250	217	20,000	13,000	4,000	15%	281,250	281,250	250
E	227,900	253	24,000	11,200	3,300	15%	266,400	266,400	296
F	290,000	290	30,000	8,300	2,500	12%	330,800	330,000	330
G	318,825	327	36,000	5,400	1,600	12%	361,825	360,750	370

Prototype	Construction Cost per Unit	Construction Cost per SF Unit	Site Development per Unit (Opt. 1)	Site Development per SF Unit (Opt. 1)	Rounded	Total Per SF Unit
A	\$219,550	\$169	\$40,450	\$31	\$260,000	\$200
B	264,050	182	40,450	28	304,500	210
C	200,000	185	16,000	15	216,000	200
D	268,250	238	13,000	11	281,250	250
E	255,200	284	11,200	12	266,400	296
F	321,700	322	8,300	8	330,000	330
G	355,350	364	5,400	6	360,750	370

Prototype	Construction Cost per Unit	Construction Cost per SF Unit	Site Development per Unit (Opt. 2)	Site Development per SF Unit (Opt. 2)	Rounded	Total Per SF Unit
A	\$208,000	\$160	\$52,000	\$40	\$260,000	\$200
B	261,000	180	43,500	30	304,500	210
C	205,200	190	10,800	10	216,000	200
D	266,850	237	14,400	12	281,250	250
E	254,400	283	12,000	13	266,400	296
F	320,000	320	10,000	10	330,000	330
G	351,750	361	9,000	9	360,750	370

NOTE: Downtown prototypes E, F, and G are likely to use union labor, while the prototypes outside downtown (A, B, C, and D) are not likely to use union labor.

Source: Hausrath Economics Group

**TABLE A-4
BACKGROUND ON SOFT COSTS**

Prototype	Amount per Unit	Percent of Hard Costs	Per SF Unit	Per Unit: Gov't Permits + Fees	Per Unit: Other Soft Costs
A	\$70,200	27%	\$54.00	\$14,000	\$56,200
B	87,000	29%	60.00	15,000	72,000
C	68,200	32%	63.15	13,500	54,700
D	84,500	30%	75.11	14,500	70,000
E	82,000	31%	91.11	14,000	68,000
F	85,000	26%	85.00	15,000	70,000
G	90,100	25%	92.41	16,000	74,100

Source: Hausrath Economics Group

TABLE A-5
ASSUMPTIONS FOR ESTIMATING CONSTRUCTION FINANCING COSTS

- ◆ Borrow 75% of project costs.
- ◆ Interest Rate = 7.5%.
- ◆ Loan fee = 1.5% of loan amount.
- ◆ Period of Loan:
Estimated loan costs based on all funds being borrowed over the construction time period. In reality, average amount borrowed during construction period will likely be lower than 100% of loan amount, as not all funds will be borrowed right away. However, borrowing will extend beyond construction period as a function of the rate of sales of units.

Construction periods for prototypes:

<u>Prototype</u>	<u>Construction Period in Months</u>
A	10
B	12
C	14
D	18
E	18
F	22
G	24

**TABLE A-6
BACKGROUND ON UNIT MIX AND
SALES PRICES FOR PROTOTYPES**

Percent	BRs	Avg. SF	Avg. Price	Avg. Price per SF
PROTOTYPE A:				
Low-rise Townhouses/Row Houses - West Oakland/East Oakland				
65%	2 BR	1,200	\$450,000	\$375
35%	3 BR	1,500	530,000	353
100%		1,305	\$478,000	\$366
PROTOTYPE B:				
Low-rise Lofts/Townhomes - North Oakland/West Oakland				
50%	2 BR	1,300	\$570,000	\$438
50%	2+ / 3 BR	1,600	630,000	394
100%		1,450	\$600,000	\$414
PROTOTYPE C:				
Lower-rise Condos - East Oakland/West Oakland				
32%	1 BR	720	\$325,000	\$451
32%	2 BR	1,100	385,000	350
36%	3+ BR / TH	1,400	465,000	332
100%		1,086	\$394,600	\$363
PROTOTYPE D:				
Lower/Mid-rise Condos - North Oakland/East Estuary				
5%	ST	700	\$410,000	\$586
35%	1 BR	950	510,000	537
50%	2 BR	1,200	595,000	496
10%	3 BR / TH	1,600	665,000	416
100%		1,128	\$563,000	\$499
PROTOTYPE E:				
Mid-rise Condos - Wood Frame - Downtown/Jack London				
30%	1 BR	750	\$475,000	\$633
60%	2 BR	940	560,000	596
10%	3 BR /2+ BR Lofts	1,100	620,000	564
100%		899	\$540,500	\$601

PROTOTYPE F:

Mid-rise Condos - Steel/Concrete - Downtown/Jack London

40%	1 BR	800	\$510,000	\$638
55%	2 BR	1,100	625,000	568
5%	3 BR	1,550	800,000	516
100%		1,003	\$587,750	\$586

PROTOTYPE G:

High-rise Condos - Downtown/Jack London

10%	Studio	660	\$450,000	\$682
45%	1 BR	850	550,000	647
35%	2 BR	1,100	670,000	609
10%	3+ BR / TH	1,400	825,000	589
100%		974	\$609,500	\$626

Source: Hausrath Economics Group

APPENDIX B

BACKGROUND TABLES FOR ESTIMATING THE COSTS OF INCLUSIONARY REQUIREMENTS

TABLE B-1
MAXIMUM AFFORDABLE SALES PRICES BASED ON STATE FORMULA FOR AFFORDABILITY UP TO 100% AMI

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Household Size	1	2	3	4	5
Maximum Household Income @100% AMI	\$58,700	\$67,000	\$75,400	\$83,800	\$90,500
Household Income Amount for Calculation	\$52,830	\$60,300	\$67,860	\$75,420	\$81,450
Maximum Monthly Housing Cost	\$1,541	\$1,759	\$1,979	\$2,200	\$2,376
Down Payment (5%)	\$7,924	\$9,157	\$10,463	\$11,633	\$12,466
Interest Rate	6.875%	6.875%	6.875%	6.875%	6.875%
Principal & Interest per month	989	\$1,143	\$1,306	\$1,452	\$1,556
Utility Allowance per month	\$107	\$114	\$126	\$145	\$191
Maintenance Reserve per month	\$25	\$25	\$25	\$25	\$25
Homeowner Association Dues per month	\$100	\$100	\$100	\$100	\$100
Property Taxes per month	\$174	\$201	\$230	\$256	\$274
Private Mortgage Insurance	\$97	\$112	\$128	\$142	\$152
Hazard and Casualty Insurance per month	\$46	\$53	\$61	\$68	\$73
Maximum Mortgage Amount	\$150,549	\$173,991	\$198,804	\$221,029	\$236,860
Maximum Affordable Sales Price	\$158,473	\$183,149	\$209,267	\$232,662	\$249,326

- (1) Assumptions: 100% AMI - Affordability calculated on the basis of 35% of 90% AMI.
(2) Interest Rate is based on the following calculation: 6.23% based on 30-year fixed rate as defined by FNMA's Required Net Yield Rate for 1/25/07 plus .625%, rounded to 6.875%.
(3) Utility Allowance is based on OHA's Schedule for Apartments and assumes all electric, water, and garbage. Used energy-efficient allowances.
(4) Property Taxes are assumed to be 1.32% of sales price.
(5) Private Mortgage Insurance is assumed to be 0.77% of the first mortgage amount.
(6) Hazard and Casualty Insurance is assumed to be .35% of the sales price.

Source: Vernazza Wolfe Associates, Inc. and the City of Oakland

TABLE B-2
HOUSING AFFORDABILITY USING CONVENTIONAL UNDERWRITING STANDARDS, EXPRESSED AS A PERCENTAGE OF AREA MEDIAN INCOME
MAXIMUM SALES PRICES FOR HOUSEHOLDS UP TO 100% AMI

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Household Size	1	2	3	4	5
Median Household Income (100% AMI)	\$58,700	\$67,000	\$75,400	\$83,800	\$90,500
Interest Rate	6.875%	6.875%	6.875%	6.875%	6.875%
Principal & Interest per month	\$989	\$1,143	\$1,306	\$1,452	\$1,556
Homeowner Association Dues per month	\$100	\$100	\$100	\$100	\$100
Property Taxes per month	\$174	\$201	\$230	\$256	\$274
Private Mortgage Insurance	\$97	\$112	\$128	\$142	\$152
Total Monthly Costs for Underwriting	\$1,360	\$1,556	\$1,764	\$1,950	\$2,082
Minimum Monthly Income Required	\$3,400	\$3,891	\$4,410	\$4,874	\$5,206
Minimum Annual Income Required	\$40,798	\$46,689	\$52,922	\$58,488	\$62,468
Percent of Median Income	70%	70%	70%	70%	69%

(1) Interest Rate is based on the following calculation: 6.23% based on 30-year fixed rate as defined by FNMA's Required Net Yield Rate for 1/25/07 plus .625%, rounded to 6.875%.

(2) Property Taxes are assumed to be 1.32% of sales price.

(3) Private Mortgage Insurance is assumed to be 0.77% of the first mortgage amount.

(4) Housing costs as a percentage of gross income assumed to be 40%.

Source: Vernazza Wolfe Associates, Inc. and the City of Oakland

**TABLE B-3
OFF-SITE COMPLIANCE FUNDING REQUIREMENTS
(USING TWO COST SCENARIOS AND AFFORDABLE SALES PRICES
BASED ON STATE FORMULA FOR AFFORDABILITY UP TO 100% AMI)**

For Prototypes D, E, F, and G - Costs Based on Three Projects (A, C and D)

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Unit Size For-Sale (SF)	500	700	900	1,200	1,350
Affordable Sales Price	\$158,473	\$183,149	\$209,267	\$232,662	\$249,326
Development Cost For-Sale (\$380/SF)	\$190,000	\$266,000	\$342,000	\$456,000	\$513,000
Funding Requirement	\$31,527	\$82,851	\$132,733	\$223,338	\$263,674

For Prototypes A, B, and C - Based on Two Projects (A and C)

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Unit Size For-Sale (SF)	500	700	900	1,200	1,350
Affordable Sales Price	\$158,473	\$183,149	\$209,267	\$232,662	\$249,326
Development Cost For-Sale (\$345/SF)	\$172,500	\$241,500	\$310,500	\$414,000	\$465,750
Funding Requirement	\$14,027	\$58,351	\$101,233	\$181,338	\$216,424

Source: Vernazza Wolfe Associates, Inc., Hausrath Economics Group, and the City of Oakland

**TABLE B-4
IN-LIEU FEE CALCULATION USING AFFORDABLE SALES PRICES
(BASED ON STATE FORMULA FOR AFFORDABILITY UP TO 100% AMI)**

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Unit Size For-Sale (SF)	500	700	900	1,200	1,350
Affordable Sales Price	\$158,473	\$183,149	\$209,267	\$232,662	\$249,326
Development Cost For-Sale (\$395/SF)	\$197,500	\$276,500	\$355,500	\$474,000	\$533,250
In-Lieu Fee (Affordability Gap)	\$39,027	\$93,351	\$146,233	\$241,338	\$283,924

Source: Vernazza Wolfe Associates, Inc. and Hausrath Economics Group

TABLE B-5a
CALCULATIONS OF INCLUSIONARY HOUSING REQUIREMENTS FOR DEVELOPMENT PROTOTYPES
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS

Affordable Unit Requirements for Development Prototypes

Based on requirements in October 2006 ordinance proposal.

Assumptions:

On-site: 15% of total units; round up all fractions.

Off-site / in-lieu fee: 20% of total units; round up all fractions.

Bedroom Mix: Proportional to prototype; round up all fractions starting with largest number BR's and treat smallest number BR's as residual for total units required.

For all prototypes, assume 100 units for the calculations.

Prototype	Affordable Option	Total Units	Studio	1 BR	2 BR	3 BR	4 BR
A		100	-	-	65	35	-
	on-site	15	-	-	9	6	-
	off-site / in-lieu fee	20	-	-	13	7	-
B		100	-	-	50	50	-
	on-site	15	-	-	7	8	-
	off-site / in-lieu fee	20	-	-	10	10	-
C		100	-	32	32	36	-
	on-site	15	-	4	5	6	-
	off-site / in-lieu fee	20	-	5	7	8	-
D		100	5	35	50	10	-
	on-site	15	-	5	8	2	-
	off-site / in-lieu fee	20	1	7	10	2	-
E		100	-	30	60	10	-
	on-site	15	-	4	9	2	-
	off-site / in-lieu fee	20	-	6	12	2	-
F		100	-	40	55	5	-
	on-site	15	-	5	9	1	-
	off-site / in-lieu fee	20	-	8	11	1	-
G		100	10	45	35	10	-
	on-site	15	-	7	6	2	-
	off-site / in-lieu fee	20	2	9	7	2	-

Source: Hausrath Economics Group; City of Oakland

TABLE B-5b
OPTION 1: Affordable Housing Revenues for On-site Compliance

Maximum affordable sales prices:

Studio	\$158,473
1 BR	\$183,149
2 BR	\$209,267
3 BR	\$232,662
4 BR	\$249,326

Prototype	Avg. Weighted Price per Affordable (15%)	Avg. Price per Market Rate (85%)	Avg. Weighted Price Together
A	\$218,625	\$478,000	\$439,094
B	\$221,744	\$600,000	\$543,262
C	\$211,660	\$395,000	\$367,499
D	\$203,680	\$565,000	\$510,802
E	\$205,422	\$540,000	\$489,813
F	\$202,121	\$588,000	\$530,118
G	\$200,198	\$610,000	\$548,530

Source: Hausrath Economics Group; Vernazza Wolfe Associates, Inc.; City of Oakland

TABLE B-5c
OPTION 2: Affordable Housing Funding Requirements for Off-site Compliance

Funding Required by Number of Bedrooms:

	Studio	1 BR	2 BR	3 BR	4 BR
Case 1: Based on 3 Projects (Prototypes A, C, D)	\$31,527	\$82,851	\$132,733	\$223,338	\$263,674
Case 2: Based on 2 Projects (Prototypes A and C)	\$14,027	\$58,351	\$101,233	\$181,338	\$216,424

Weighted Average Funding Required Per Unit

Prototype	Case 1: 3 Projects		Case 2: 2 Projects	
	Per Affordable Unit (20%)	Per Unit Total Project	Per Affordable Unit (20%)	Per Unit Total Project
A	\$164,445	\$32,889	\$129,270	\$25,854
B	\$178,036	\$35,607	\$141,286	\$28,257
C	\$156,505	\$31,301	\$122,555	\$24,511
D	\$119,275	\$23,855	\$89,875	\$17,975
E	\$126,829	\$25,366	\$96,379	\$19,276
F	\$117,310	\$23,462	\$88,085	\$17,617
G	\$109,226	\$21,845	\$81,226	\$16,245

NOTE: Bold indicates costs used in the feasibility analysis.

Source: Hausrath Economics Group; Vernazza Wolfe Associates, Inc.; City of Oakland

TABLE B-5d
OPTION 3: In-lieu Fee Payment Compliance

In-lieu Fees by Number of Bedrooms:

	Studio	1 BR	2 BR	3 BR	4 BR
In-Lieu fee	\$39,027	\$93,351	\$146,233	\$241,338	\$283,924

Weighted Average In-lieu Fee Per Unit

Prototype	In-Lieu Fee	
	Per Affordable Unit (20%)	Per Unit Total Project
A	\$179,520	\$35,904
B	\$193,786	\$38,757
C	\$171,055	\$34,211
D	\$131,500	\$26,375
E	\$139,879	\$27,976
F	\$129,835	\$25,967
G	\$121,226	\$24,245

Source: Hausrath Economics Group; Vernazza Wolfe Associates, Inc.; City of Oakland

TABLE B-5e

**SUMMARY: Summary Comparison of Affordable Housing Compliance Options,
by Development Prototype**

**Costs of Affordable Housing per Unit in Total Project (100 units)
Exclusive of Additional Financing Costs or Sales Expense Adjustment**

Prototype	On-site Option	Off-site Option		In-lieu Fee Option
		Case 1	Case 2	
A	\$38,906	\$32,889	\$25,854	\$35,904
B	\$56,738	\$35,607	\$28,257	\$38,757
C	\$27,501	\$31,301	\$24,511	\$34,211
D	\$54,198	\$23,855	\$17,975	\$26,375
E	\$50,187	\$25,366	\$19,276	\$27,976
F	\$57,882	\$23,462	\$17,617	\$25,967
G	\$61,470	\$21,845	\$16,245	\$24,245

**Costs of Affordable Housing per Unit in Total Project (100 units)
Including Additional Financing Costs for Off-site Option and In-Lieu Fee Option,
and Adjustment for Reduced Sales Expenses for On-Site Option**

Prototype	On-site Option	Off-site Option		In-lieu Fee Option
		Case 1	Case 2	
A	\$37,544	\$34,057	\$26,772	\$37,179
B	\$54,752	\$37,031	\$29,387	\$40,307
C	\$26,538	\$32,693	\$25,601	\$35,733
D	\$52,301	\$25,131	\$18,937	\$27,786
E	\$48,430	\$26,723	\$20,307	\$29,473
F	\$55,856	\$24,930	\$18,720	\$27,592
G	\$59,319	\$23,312	\$17,336	\$25,873

NOTE: Bold indicates costs used for off-site compliance in the feasibility analysis.

Source: Hausrath Economics Group; Vernazza Wolfe Associates, Inc.; City of Oakland

APPENDIX C

**BACKGROUND TABLES FOR
ANALYSIS OF IMPACTS OF
INCLUSIONARY HOUSING REQUIREMENTS,
ASSUMING THE OCTOBER 2006
ORDINANCE PROPOSAL**

**TABLE C-1
RESIDENTIAL DEVELOPMENT PROTOTYPES - WITH 15% ON-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS**

	Prototype A Low-rise Townhomes / Row Houses East Oakland / West Oakland		Prototype B Low-rise Lofts / Townhomes North Oakland / West Oakland		Prototype C Lower-rise Condos East Oakland / West Oakland		Prototype D Lower/Mid-rise Condos North Oakland / East Estuary	
Development Characteristics								
Construction Type	wood		wood		wood frame on concrete podium		wood frame over concrete podium	
Height	3 floors including garage		3 floors including garage		3 flrs over 1 pkg on some/all site		4-5 floors over 1 level parking	
Parking Location	garages in units		indiv. garages / surface parking		podium/surface; above grade		podium; above grade	
Parking Ratio	2 spaces/du		2 spaces/du		1 space/du; some buyer-opted lifts		1 space/du; some buyer-opted lifts	
Average Unit Size	1,300 sf		1,450 sf		1,080 sf		1,125 sf	
Bedroom Mix	65% 2 BR; 35% 3 BR		50% 2 BR; 50% 2+/3 BR		32% 1 BR; 32% 2 BR; 36% 3 BR		5%ST/35%1BR/50%2BR/10%3BR	
Density	30-35 units/acre		30-35 units/acre		50-60 units/acre		80-100 units/acre	
Location in City	East Oakland / West Oakland		North Oakland / West Oakland		East Oakland / West Oakland		North Oakland / East Estuary	
Development Costs								
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Land	\$34.62	\$45,000	\$40.00	\$58,000	\$25.00	\$27,000	\$44.44	\$50,000
Hard Construction	\$200.00	\$260,000	\$210.00	\$304,500	\$200.00	\$216,000	\$250.00	\$281,250
Government Permits and Fees	\$10.77	\$14,000	\$10.34	\$15,000	\$12.50	\$13,500	\$12.89	\$14,500
Other Soft Costs	\$43.23	\$56,200	\$49.66	\$72,000	\$50.65	\$54,700	\$62.22	\$70,000
Construction Financing	\$10.77	\$14,000	\$13.03	\$18,900	\$13.52	\$14,600	\$20.89	\$23,500
Total Development Costs	\$299.39	\$389,200	\$323.03	\$468,400	\$301.67	\$325,800	\$390.44	\$439,250
Revenue								
Market Rate Units - Avg. Price	\$367.69	\$478,000	\$413.79	\$600,000	\$365.74	\$395,000	\$502.22	\$565,000
Inclusionary Units - Avg. Price	\$168.18	\$218,630	\$152.92	\$221,740	\$195.98	\$211,660	\$181.05	\$203,680
Gross Sales Revenue (wtd avg.)	\$337.76	\$439,100	\$374.66	\$543,300	\$340.28	\$367,500	\$454.04	\$510,800
(Less) Sales Expenses	<u>(\$11.85)</u>	<u>(\$15,400)</u>	<u>(\$13.10)</u>	<u>(\$19,000)</u>	<u>(\$11.94)</u>	<u>(\$12,900)</u>	<u>(\$15.91)</u>	<u>(\$17,900)</u>
Sales Net of Sales Expenses	\$325.91	\$423,700	\$361.56	\$524,300	\$328.34	\$354,600	\$438.13	\$492,900
(Less) Development Costs	<u>(\$299.39)</u>	<u>(\$389,200)</u>	<u>(\$323.03)</u>	<u>(\$468,400)</u>	<u>(\$301.67)</u>	<u>(\$325,800)</u>	<u>(\$390.44)</u>	<u>(\$439,250)</u>
Net Revenue	\$26.52	\$34,500	\$38.53	\$55,900	\$26.67	\$28,800	\$47.69	\$53,650
Net Revenue as % of Base Case	47.9%		50.5%		52.0%		50.6%	
Measures of Return								
Net Revenue:								
As % of Devel. Costs (ROC)	8.9%		11.9%		8.8%		12.2%	
Required % of Costs (ROC)	16-18%		16-18%		16-18%		18-20%	
As % of Net Sales	8.1%		10.7%		8.1%		10.9%	

TABLE C-1 (continued)
RESIDENTIAL DEVELOPMENT PROTOTYPES - WITH 15% ON-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS

	Prototype E Mid-rise Condos Downtown		Prototype F Mid-rise Condos Downtown		Prototype G High-rise Condos Downtown	
Development Characteristics						
Construction Type	wood frame on concrete podium		steel/concrete		steel/concrete	
Height	4-6 floors over parking		6-8 floors over parking		9-16 floors over parking	
Parking Location	podium; above grade		largely above grade		above/below grade	
Parking Ratio	1 space/du; some buyer-opted lifts		1 space/du		1 space/du	
Average Unit Size	900 sf		1,000 sf		975 sf	
Bedroom Mix	30% 1 BR; 60% 2 BR; 10% 3 BR		40% 1 BR; 55% 2 BR; 5% 3 BR		10% ST/45% 1BR/35% 2BR/10% 3BR	
Density	100-140 units/acre		140-167 units/acre		200-300 units/acre	
Location in City	Downtown / Jack London		Downtown / Jack London		Downtown / Jack London	
Development Costs						
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Land	\$62.22	\$56,000	\$50.00	\$50,000	\$45.13	\$44,000
Hard Construction	\$296.00	\$266,400	\$330.00	\$330,000	\$370.00	\$360,750
Government Permits and Fees	\$15.56	\$14,000	\$15.00	\$15,000	\$16.41	\$16,000
Other Soft Costs	\$75.56	\$68,000	\$70.00	\$70,000	\$76.00	\$74,100
Construction Financing	\$25.44	\$22,900	\$30.80	\$30,800	\$36.21	\$35,300
Total Development Costs	\$474.78	\$427,300	\$495.80	\$495,800	\$543.75	\$530,150
Revenue						
Market Rate Units - Avg. Price	\$600.00	\$540,000	\$588.00	\$588,000	\$625.64	\$610,000
Inclusionary Units - Avg. Price	\$228.24	\$205,420	\$202.12	\$202,120	\$205.33	\$200,200
Gross Sales Revenue (wtd avg.)	\$544.24	\$489,800	\$530.12	\$530,100	\$562.59	\$548,500
(Less) Sales Expenses	<u>(\$19.00)</u>	<u>(\$17,100)</u>	<u>(\$18.60)</u>	<u>(\$18,600)</u>	<u>(\$19.69)</u>	<u>(\$19,200)</u>
Sales Net of Sales Expenses	\$525.24	\$472,700	\$511.52	\$511,500	\$542.90	\$529,300
(Less) Development Costs	<u>(\$474.78)</u>	<u>(\$427,300)</u>	<u>(\$495.80)</u>	<u>(\$495,800)</u>	<u>(\$543.75)</u>	<u>(\$530,150)</u>
Net Revenue	\$50.46	\$45,400	\$15.72	\$15,700	(\$0.85)	(\$850)
Net Revenue as % of Base Case	48.4%		21.9%		-1.5%	
Measures of Return						
Net Revenue:						
As % of Devel. Costs (ROC)	10.6%		3.2%		-0.2%	
Required % of Costs (ROC)	18-20%		20-22%		22-25%	
As % of Net Sales	9.6%		3.1%		-0.2%	

**TABLE C-2
RESIDENTIAL DEVELOPMENT PROTOTYPES - WITH 20% OFF-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS**

	Prototype A Low-rise Townhomes / Row Houses East Oakland / West Oakland		Prototype B Low-rise Lofts / Townhomes North Oakland / West Oakland		Prototype C Lower-rise Condos East Oakland / West Oakland		Prototype D Lower/Mid-rise Condos North Oakland / East Estuary	
<u>Development Characteristics</u>								
Construction Type	wood		wood		wood frame on concrete podium		wood frame over concrete podium	
Height	3 floors including garage		3 floors including garage		3 flrs over 1 pkg on some/all site		4-5 floors over 1 level parking	
Parking Location	garages in units		indiv. garages / surface parking		podium/surface; above grade		podium; above grade	
Parking Ratio	2 spaces/du		2 spaces/du		1 space/du; some buyer-opted lifts		1 space/du; some buyer-opted lifts	
Average Unit Size	1,300 sf		1,450 sf		1,080 sf		1,125 sf	
Bedroom Mix	65% 2 BR; 35% 3 BR		50% 2 BR; 50% 2+/3 BR		32% 1 BR; 32% 2 BR; 36% 3 BR		5%ST/35%1BR/50%2BR/10%3BR	
Density	30-35 units/acre		30-35 units/acre		50-60 units/acre		80-100 units/acre	
Location in City	East Oakland / West Oakland		North Oakland / West Oakland		East Oakland / West Oakland		North Oakland / East Estuary	
<u>Development Costs</u>								
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Land	\$34.62	\$45,000	\$40.00	\$58,000	\$25.00	\$27,000	\$44.44	\$50,000
Hard Construction	\$200.00	\$260,000	\$210.00	\$304,500	\$200.00	\$216,000	\$250.00	\$281,250
Government Permits and Fees	\$10.77	\$14,000	\$10.34	\$15,000	\$12.50	\$13,500	\$12.89	\$14,500
Other Soft Costs	\$43.23	\$56,200	\$49.66	\$72,000	\$50.65	\$54,700	\$62.22	\$70,000
Off-site Inclusionary Housing	\$19.88	\$25,850	\$19.49	\$28,260	\$22.69	\$24,510	\$21.21	\$23,860
Construction Financing	\$11.46	\$14,900	\$13.86	\$20,100	\$14.54	\$15,700	\$22.13	\$24,900
Total Development Costs	\$319.96	\$415,950	\$343.35	\$497,860	\$325.38	\$351,410	\$412.89	\$464,510
<u>Revenue</u>								
Residential Sales	\$367.69	\$478,000	\$413.79	\$600,000	\$365.74	\$395,000	\$502.22	\$565,000
(Less) Sales Expenses	(\$12.85)	(\$16,700)	(\$14.48)	(\$21,000)	(\$12.78)	(\$13,800)	(\$17.56)	(\$19,750)
Sales Net of Sales Expenses	\$354.84	\$461,300	\$399.31	\$579,000	\$352.96	\$381,200	\$484.66	\$545,250
(Less) Development Costs	(\$319.96)	(\$415,950)	(\$343.35)	(\$497,860)	(\$325.38)	(\$351,410)	(\$412.89)	(\$464,510)
Net Revenue	\$34.88	\$45,350	\$55.96	\$81,140	\$27.58	\$29,790	\$71.77	\$80,740
Net Revenue as % of Base Case	62.9%		73.4%		53.8%		76.2%	
<u>Measures of Return</u>								
Net Revenue:								
As % of Devel. Costs (ROC)	10.9%		16.3%		8.5%		17.4%	
Required % of Costs (ROC)	16-18%		16-18%		16-18%		18-20%	
As % of Net Sales	9.8%		14.0%		7.8%		14.8%	

Source: Hausrath Economics Group

TABLE C-2 (continued)
RESIDENTIAL DEVELOPMENT PROTOTYPES - WITH 20% OFF-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS

	Prototype E Mid-rise Condos Downtown		Prototype F Mid-rise Condos Downtown		Prototype G High-rise Condos Downtown	
<u>Development Characteristics</u>						
Construction Type	wood frame on concrete podium		steel/concrete		steel/concrete	
Height	4-6 floors over parking		6-8 floors over parking		9-16 floors over parking	
Parking Location	podium; above grade		largely above grade		above/below grade	
Parking Ratio	1 space/du; some buyer-opted lifts		1 space/du		1 space/du	
Average Unit Size	900 sf		1,000 sf		975 sf	
Bedroom Mix	30% 1 BR; 60% 2 BR; 10% 3 BR		40% 1 BR; 55% 2 BR; 5% 3 BR		10% ST/45% 1BR/35% 2BR/10% 3BR	
Density	100-140 units/acre		140-167 units/acre		200-300 units/acre	
Location in City	Downtown / Jack London		Downtown / Jack London		Downtown / Jack London	
<u>Development Costs</u>						
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Land	\$62.22	\$56,000	\$50.00	\$50,000	\$45.13	\$44,000
Hard Construction	\$296.00	\$266,400	\$330.00	\$330,000	\$370.00	\$360,750
Government Permits and Fees	\$15.56	\$14,000	\$15.00	\$15,000	\$16.41	\$16,000
Other Soft Costs	\$75.56	\$68,000	\$70.00	\$70,000	\$76.00	\$74,100
Off-site Inclusionary Housing	\$28.19	\$25,370	\$23.46	\$23,460	\$22.41	\$21,850
Construction Financing	\$27.00	\$24,300	\$32.40	\$32,400	\$37.74	\$36,800
Total Development Costs	\$504.53	\$454,070	\$520.86	\$520,860	\$567.69	\$553,500
<u>Revenue</u>						
Residential Sales	\$600.00	\$540,000	\$588.00	\$588,000	\$625.64	\$610,000
(Less) Sales Expenses	(\$21.00)	(\$18,900)	(\$20.60)	(\$20,600)	(\$21.90)	(\$21,350)
Sales Net of Sales Expenses	\$579.00	\$521,100	\$567.40	\$567,400	\$603.74	\$588,650
(Less) Development Costs	(\$504.53)	(\$454,070)	(\$520.86)	(\$520,860)	(\$567.69)	(\$553,500)
Net Revenue	\$74.47	\$67,030	\$46.54	\$46,540	\$36.05	\$35,150
Net Revenue as % of Base Case	71.5%		65.0%		60.1%	
<u>Measures of Return</u>						
Net Revenue:						
As % of Devel. Costs (ROC)	14.8%		8.9%		6.4%	
Required % of Costs (ROC)	18-20%		20-22%		22-25%	
As % of Net Sales	12.9%		8.2%		6.0%	

Source: Hausrath Economics Group

**TABLE C-3
RESIDENTIAL DEVELOPMENT PROTOTYPES - WITH INCLUSIONARY HOUSING IN-LIEU FEE
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS**

	Prototype A Low-rise Townhomes / Row Houses East Oakland / West Oakland		Prototype B Low-rise Lofts / Townhomes North Oakland / West Oakland		Prototype C Lower-rise Condos East Oakland / West Oakland		Prototype D Lower/Mid-rise Condos North Oakland / East Estuary	
<u>Development Characteristics</u>								
Construction Type	wood		wood		wood frame on concrete podium		wood frame over concrete podium	
Height	3 floors including garage		3 floors including garage		3 flrs over 1 pkg on some/all site		4-5 floors over 1 level parking	
Parking Location	garages in units		indiv. garages / surface parking		podium/surface; above grade		podium; above grade	
Parking Ratio	2 spaces/du		2 spaces/du		1 space/du; some buyer-opted lifts		1 space/du; some buyer-opted lifts	
Average Unit Size	1,300 sf		1,450 sf		1,080 sf		1,125 sf	
Bedroom Mix	65% 2 BR; 35% 3 BR		50% 2 BR; 50% 2+/3 BR		32% 1 BR; 32% 2 BR; 36% 3 BR		5%ST/35%1BR/50%2BR/10%3BR	
Density	30-35 units/acre		30-35 units/acre		50-60 units/acre		80-100 units/acre	
Location in City	East Oakland / West Oakland		North Oakland / West Oakland		East Oakland / West Oakland		North Oakland / East Estuary	
<u>Development Costs</u>								
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Land	\$34.62	\$45,000	\$40.00	\$58,000	\$25.00	\$27,000	\$44.44	\$50,000
Hard Construction	\$200.00	\$260,000	\$210.00	\$304,500	\$200.00	\$216,000	\$250.00	\$281,250
Government Permits and Fees	\$10.77	\$14,000	\$10.34	\$15,000	\$12.50	\$13,500	\$12.89	\$14,500
Other Soft Costs	\$43.23	\$56,200	\$49.66	\$72,000	\$50.65	\$54,700	\$62.22	\$70,000
Inclusionary Housing Fee	\$27.62	\$35,900	\$26.73	\$38,760	\$31.68	\$34,210	\$23.45	\$26,380
Construction Financing	\$11.77	\$15,300	\$14.14	\$20,500	\$15.00	\$16,200	\$22.22	\$25,000
Total Development Costs	\$328.01	\$426,400	\$350.87	\$508,760	\$334.83	\$361,610	\$415.22	\$467,130
<u>Revenue</u>								
Residential Sales	\$367.69	\$478,000	\$413.79	\$600,000	\$365.74	\$395,000	\$502.22	\$565,000
(Less) Sales Expenses	(\$12.85)	(\$16,700)	(\$14.48)	(\$21,000)	(\$12.78)	(\$13,800)	(\$17.56)	(\$19,750)
Sales Net of Sales Expenses	\$354.84	\$461,300	\$399.31	\$579,000	\$352.96	\$381,200	\$484.66	\$545,250
(Less) Development Costs	(\$328.01)	(\$426,400)	(\$350.87)	(\$508,760)	(\$334.83)	(\$361,610)	(\$415.22)	(\$467,130)
Net Revenue	\$26.83	\$34,900	\$48.44	\$70,240	\$18.13	\$19,590	\$69.44	\$78,120
Net Revenue as % of Base Case	48.4%		63.5%		35.4%		73.7%	
<u>Measures of Return</u>								
Net Revenue:								
As % of Devel. Costs (ROC)	8.2%		13.8%		5.4%		16.7%	
Required % of Costs (ROC)	16-18%		16-18%		16-18%		18-20%	
As % of Net Sales	7.6%		12.1%		5.1%		14.3%	

Source: Hausrath Economics Group

TABLE C-3 (continued)
RESIDENTIAL DEVELOPMENT PROTOTYPES - WITH INCLUSIONARY HOUSING IN-LIEU FEE
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS

	Prototype E		Prototype F		Prototype G	
	Mid-rise Condos		Mid-rise Condos		High-rise Condos	
	Downtown		Downtown		Downtown	
<u>Development Characteristics</u>						
Construction Type	wood frame on concrete podium		steel/concrete		steel/concrete	
Height	4-6 floors over parking		6-8 floors over parking		9-16 floors over parking	
Parking Location	podium; above grade		largely above grade		above/below grade	
Parking Ratio	1 space/du; some buyer-optimized lifts		1 space/du		1 space/du	
Average Unit Size	900 sf		1,000 sf		975 sf	
Bedroom Mix	30% 1 BR; 60% 2 BR; 10% 3 BR		40% 1 BR; 55% 2 BR; 5% 3 BR		10% ST/45% 1BR/35% 2BR/10% 3BR	
Density	100-140 units/acre		140-167 units/acre		200-300 units/acre	
Location in City	Downtown / Jack London		Downtown / Jack London		Downtown / Jack London	
<u>Development Costs</u>						
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Land	\$62.22	\$56,000	\$50.00	\$50,000	\$45.13	\$44,000
Hard Construction	\$296.00	\$266,400	\$330.00	\$330,000	\$370.00	\$360,750
Government Permits and Fees	\$15.56	\$14,000	\$15.00	\$15,000	\$16.41	\$16,000
Other Soft Costs	\$75.56	\$68,000	\$70.00	\$70,000	\$76.00	\$74,100
Inclusionary Housing Fee	\$31.09	\$27,980	\$25.97	\$25,970	\$24.87	\$24,250
Construction Financing	\$27.22	\$24,500	\$32.60	\$32,600	\$37.95	\$37,000
Total Development Costs	\$507.65	\$456,880	\$523.57	\$523,570	\$570.36	\$556,100
<u>Revenue</u>						
Residential Sales	\$600.00	\$540,000	\$588.00	\$588,000	\$625.64	\$610,000
(Less) Sales Expenses	(\$21.00)	(\$18,900)	(\$20.60)	(\$20,600)	(\$21.90)	(\$21,350)
Sales Net of Sales Expenses	\$579.00	\$521,100	\$567.40	\$567,400	\$603.74	\$588,650
(Less) Development Costs	(\$507.65)	(\$456,880)	(\$523.57)	(\$523,570)	(\$570.36)	(\$556,100)
Net Revenue	\$71.35	\$64,220	\$43.83	\$43,830	\$33.38	\$32,550
Net Revenue as % of Base Case	68.5%		61.2%		55.6%	
<u>Measures of Return</u>						
Net Revenue:						
As % of Devel. Costs (ROC)	14.1%		8.4%		5.9%	
Required % of Costs (ROC)	18-20%		20-22%		22-25%	
As % of Net Sales	12.3%		7.7%		5.5%	

Source: Hausrath Economics Group

**TABLE C-4
LAND RESIDUAL ANALYSIS FOR RESIDENTIAL DEVELOPMENT PROTOTYPES -
WITH 15% ON-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS**

	Prototype A Low-rise Townhomes / Row Houses East Oakland / West Oakland		Prototype B Low-rise Lofts / Townhomes North Oakland / West Oakland		Prototype C Lower-rise Condos East Oakland / West Oakland		Prototype D Lower/Mid-rise Condos North Oakland / East Estuary	
Development Characteristics								
Construction Type	wood		wood		wood frame on concrete podium		wood frame over concrete podium	
Height	3 floors including garage		3 floors including garage		3 flrs over 1 pkg on some/all site		4-5 floors over 1 level parking	
Parking Location	garages in units		indiv. garages / surface parking		podium/surface; above grade		podium; above grade	
Parking Ratio	2 spaces/du		2 spaces/du		1 space/du; some buyer-opted lifts		1 space/du; some buyer-opted lifts	
Average Unit Size	1,300 sf		1,450 sf		1,080 sf		1,125 sf	
Bedroom Mix	65% 2 BR; 35% 3 BR		50% 2 BR; 50% 2+3 BR		32% 1 BR; 32% 2 BR; 36% 3 BR		5%ST/35%1BR/50%2BR/10%3BR	
Density	30-35 units/acre		30-35 units/acre		50-60 units/acre		80-100 units/acre	
Location in City	East Oakland / West Oakland		North Oakland / West Oakland		East Oakland / West Oakland		North Oakland / East Estuary	
Development Costs								
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Hard Construction	\$200.00	\$260,000	\$210.00	\$304,500	\$200.00	\$216,000	\$250.00	\$281,250
Government Permits and Fees	\$10.77	\$14,000	\$10.34	\$15,000	\$12.50	\$13,500	\$12.89	\$14,500
Other Soft Costs	\$43.23	\$56,200	\$49.66	\$72,000	\$50.65	\$54,700	\$62.22	\$70,000
Construction Financing	\$9.46	\$12,300	\$11.38	\$16,500	\$12.31	\$13,300	\$18.40	\$20,700
Total Devel Costs w/o Land	\$263.46	\$342,500	\$281.38	\$408,000	\$275.46	\$297,500	\$343.51	\$386,450
Return for Development	\$44.79	\$58,200	\$47.83	\$69,400	\$46.83	\$50,600	\$65.27	\$73,400
Revenue								
Market Rate Units - Avg. Price	\$367.69	\$478,000	\$413.79	\$600,000	\$365.74	\$395,000	\$502.22	\$565,000
Inclusionary Units - Avg. Price	\$168.18	\$218,630	\$152.92	\$221,740	\$195.98	\$211,660	\$181.05	\$203,680
Gross Sales Revenue (wtd avg.)	\$337.76	\$439,100	\$374.66	\$543,300	\$340.28	\$367,500	\$454.04	\$510,800
(Less) Sales Expenses	(\$11.85)	(\$15,400)	(\$13.10)	(\$19,000)	(\$11.94)	(\$12,900)	(\$15.91)	(\$17,900)
Sales Net of Sales Expenses	\$325.91	\$423,700	\$361.56	\$524,300	\$328.34	\$354,600	\$438.13	\$492,900
(Less) Development Costs	(\$263.46)	(\$342,500)	(\$281.38)	(\$408,000)	(\$275.46)	(\$297,500)	(\$343.51)	(\$386,450)
(Less) Return for Development	(\$44.79)	(\$58,200)	(\$47.83)	(\$69,400)	(\$46.83)	(\$50,600)	(\$65.27)	(\$73,400)
Land Residual	\$17.66	\$23,000	\$32.35	\$46,900	\$6.05	\$6,500	\$29.35	\$33,050
Land Exclusive of Financing	\$17.02	\$22,200	\$31.05	\$45,000	\$5.78	\$6,200	\$27.78	\$31,300
Per Square Foot Site	\$15 - \$18		\$31 - \$36		\$7 - \$9		\$57 - \$72	
Land as % of Base Case	38.0%		46.2%		19.6%		38.7%	

Source: Hausrath Economics Group

TABLE C-4 (continued)
LAND RESIDUAL ANALYSIS FOR RESIDENTIAL DEVELOPMENT PROTOTYPES -
WITH 15% ON-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS

	<u>Prototype E</u> Mid-rise Condos Downtown		<u>Prototype F</u> Mid-rise Condos Downtown		<u>Prototype G</u> High-rise Condos Downtown	
<u>Development Characteristics</u>						
Construction Type	wood frame on concrete podium		steel/concrete		steel/concrete	
Height	4-6 floors over parking		6-8 floors over parking		9-16 floors over parking	
Parking Location	podium; above grade		largely above grade		above/below grade	
Parking Ratio	1 space/du; some buyer-opted lifts		1 space/du		1 space/du	
Average Unit Size	900 sf		1,000 sf		975 sf	
Bedroom Mix	30% 1 BR; 60% 2 BR; 10% 3 BR		40% 1 BR; 55% 2 BR; 5% 3 BR		10% ST/45% 1BR/35% 2BR/10% 3BR	
Density	100-140 units/acre		140-167 units/acre		200-300 units/acre	
Location in City	Downtown / Jack London		Downtown / Jack London		Downtown / Jack London	
<u>Development Costs</u>						
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Hard Construction	\$296.00	\$266,400	\$330.00	\$330,000	\$370.00	\$360,750
Government Permits and Fees	\$15.56	\$14,000	\$15.00	\$15,000	\$16.41	\$16,000
Other Soft Costs	\$75.56	\$68,000	\$70.00	\$70,000	\$76.00	\$74,100
Construction Financing	\$21.89	\$19,700	\$27.50	\$27,500	\$32.92	\$32,100
Total Devel Costs w/o Land	\$409.01	\$368,100	\$442.50	\$442,500	\$495.33	\$482,950
Return for Development	\$77.71	\$69,900	\$92.93	\$92,900	\$116.40	\$113,500
<u>Revenue</u>						
Market Rate Units - Avg. Price	\$600.00	\$540,000	\$588.00	\$588,000	\$625.64	\$610,000
Inclusionary Units - Avg. Price	\$228.24	\$205,420	\$202.12	\$202,120	\$205.33	\$200,200
Gross Sales Revenue (wtd avg.)	\$544.24	\$489,800	\$530.12	\$530,100	\$562.59	\$548,500
(Less) Sales Expenses	(\$19.00)	(\$17,100)	(\$18.60)	(\$18,600)	(\$19.69)	(\$19,200)
Sales Net of Sales Expenses	\$525.24	\$472,700	\$511.52	\$511,500	\$542.90	\$529,300
(Less) Development Costs	(\$409.01)	(\$368,100)	(\$442.50)	(\$442,500)	(\$495.33)	(\$482,950)
(Less) Return for Development	(\$77.71)	(\$69,900)	(\$92.93)	(\$92,900)	(\$116.40)	(\$113,500)
Land Residual	\$38.52	\$34,700	(\$23.91)	(\$23,900)	(\$68.83)	(\$67,150)
Land Exclusive of Financing	\$36.46	\$32,800	(\$22.42)	(\$22,400)	(\$64.25)	(\$62,700)
Per Square Foot Site	\$75 - \$105		-\$72 - -\$86		-\$288 - -\$432	
Land as % of Base Case	41.7%		-74.7%		858.9%	

Source: Hausrath Economics Group

**TABLE C-5
LAND RESIDUAL ANALYSIS FOR RESIDENTIAL DEVELOPMENT PROTOTYPES -
WITH 20% OFF-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS**

	Prototype A Low-rise Townhomes / Row Houses East Oakland / West Oakland		Prototype B Low-rise Lofts / Townhomes North Oakland / West Oakland		Prototype C Lower-rise Condos East Oakland / West Oakland		Prototype D Lower/Mid-rise Condos North Oakland / East Estuary	
Development Characteristics								
Construction Type	wood		wood		wood frame on concrete podium		wood frame over concrete podium	
Height	3 floors including garage		3 floors including garage		3 flrs over 1 pkg on some/all site		4-5 floors over 1 level parking	
Parking Location	garages in units		indiv. garages / surface parking		podium/surface; above grade		podium; above grade	
Parking Ratio	2 spaces/du		2 spaces/du		1 space/du; some buyer-opted lifts		1 space/du; some buyer-opted lifts	
Average Unit Size	1,300 sf		1,450 sf		1,080 sf		1,125 sf	
Bedroom Mix	65% 2 BR; 35% 3 BR		50% 2 BR; 50% 2+3 BR		32% 1 BR; 32% 2 BR; 36% 3 BR		5%ST/35%1BR/50%2BR/10%3BR	
Density	30-35 units/acre		30-35 units/acre		50-60 units/acre		80-100 units/acre	
Location in City	East Oakland / West Oakland		North Oakland / West Oakland		East Oakland / West Oakland		North Oakland / East Estuary	
Development Costs								
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Hard Construction	\$200.00	\$260,000	\$210.00	\$304,500	\$200.00	\$216,000	\$250.00	\$281,250
Government Permits and Fees	\$10.77	\$14,000	\$10.34	\$15,000	\$12.50	\$13,500	\$12.89	\$14,500
Other Soft Costs	\$43.23	\$56,200	\$49.66	\$72,000	\$50.65	\$54,700	\$62.22	\$70,000
Off-site Inclusionary Housing	\$19.88	\$25,850	\$19.49	\$28,260	\$22.69	\$24,510	\$21.21	\$23,860
Construction Financing	\$10.23	\$13,300	\$12.21	\$17,700	\$13.43	\$14,500	\$19.56	\$22,000
Total Development Costs	\$284.11	\$369,350	\$301.70	\$437,460	\$299.27	\$323,210	\$365.88	\$411,610
Return for Development	\$48.30	\$62,800	\$51.29	\$74,400	\$50.88	\$54,900	\$69.52	\$78,200
Revenue								
Residential Sales	\$367.69	\$478,000	\$413.79	\$600,000	\$365.74	\$395,000	\$502.22	\$565,000
(Less) Sales Expenses	(\$12.85)	(\$16,700)	(\$14.48)	(\$21,000)	(\$12.78)	(\$13,800)	(\$17.56)	(\$19,750)
Sales Net of Sales Expenses	\$354.84	\$461,300	\$399.31	\$579,000	\$352.96	\$381,200	\$484.66	\$545,250
(Less) Development Costs	(\$284.11)	(\$369,350)	(\$301.70)	(\$437,460)	(\$299.27)	(\$323,210)	(\$365.88)	(\$411,610)
(Less) Return for Development	(\$48.30)	(\$62,800)	(\$51.29)	(\$74,400)	(\$50.88)	(\$54,900)	(\$69.52)	(\$78,200)
Land Residual	\$22.43	\$29,150	\$46.32	\$67,140	\$2.81	\$3,090	\$49.26	\$55,440
Land Exclusive of Financing	\$21.62	\$28,100	\$44.45	\$64,400	\$2.68	\$3,000	\$46.62	\$52,500
Per Square Foot Site	\$19 - \$23		\$44 - \$52		\$3 - \$4		\$96 - \$120	
Land as % of Base Case	48.1%		66.1%		9.5%		65.0%	

Source: Hausrath Economics Group

TABLE C-5 (continued)
LAND RESIDUAL ANALYSIS FOR RESIDENTIAL DEVELOPMENT PROTOTYPES -
WITH 20% OFF-SITE INCLUSIONARY REQUIREMENT
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS

	<u>Prototype E</u> Mid-rise Condos Downtown		<u>Prototype F</u> Mid-rise Condos Downtown		<u>Prototype G</u> High-rise Condos Downtown	
<u>Development Characteristics</u>						
Construction Type	wood frame on concrete podium		steel/concrete		steel/concrete	
Height	4-6 floors over parking		6-8 floors over parking		9-16 floors over parking	
Parking Location	podium; above grade		largely above grade		above/below grade	
Parking Ratio	1 space/du; some buyer-opted lifts		1 space/du		1 space/du	
Average Unit Size	900 sf		1,000 sf		975 sf	
Bedroom Mix	30% 1 BR; 60% 2 BR; 10% 3 BR		40% 1 BR; 55% 2 BR; 5% 3 BR		10% ST/45% 1BR/35% 2BR/10% 3BR	
Density	100-140 units/acre		140-167 units/acre		200-300 units/acre	
Location in City	Downtown / Jack London		Downtown / Jack London		Downtown / Jack London	
<u>Development Costs</u>						
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Hard Construction	\$296.00	\$266,400	\$330.00	\$330,000	\$370.00	\$360,750
Government Permits and Fees	\$15.56	\$14,000	\$15.00	\$15,000	\$16.41	\$16,000
Other Soft Costs	\$75.56	\$68,000	\$70.00	\$70,000	\$76.00	\$74,100
Off-site Inclusionary Housing	\$28.19	\$25,370	\$23.46	\$23,460	\$22.41	\$21,850
Construction Financing	\$23.44	\$21,100	\$29.10	\$29,100	\$34.56	\$33,700
Total Development Costs	\$438.75	\$394,870	\$467.56	\$467,560	\$519.38	\$506,400
Return for Development	\$83.36	\$75,000	\$98.19	\$98,200	\$122.05	\$119,000
<u>Revenue</u>						
Residential Sales	\$600.00	\$540,000	\$588.00	\$588,000	\$625.64	\$610,000
(Less) Sales Expenses	(\$21.00)	(\$18,900)	(\$20.60)	(\$20,600)	(\$21.90)	(\$21,350)
Sales Net of Sales Expenses	\$579.00	\$521,100	\$567.40	\$567,400	\$603.74	\$588,650
(Less) Development Costs	(\$438.75)	(\$394,870)	(\$467.56)	(\$467,560)	(\$519.38)	(\$506,400)
(Less) Return for Development	(\$83.36)	(\$75,000)	(\$98.19)	(\$98,200)	(\$122.05)	(\$119,000)
Land Residual	\$56.89	\$51,230	\$1.65	\$1,640	(\$37.69)	(\$36,750)
Land Exclusive of Financing	\$53.84	\$48,500	\$1.55	\$1,500	(\$35.18)	(\$34,300)
Per Square Foot Site	\$111 - \$156		\$5 - \$6		-\$157 - -\$237	
Land as % of Base Case	61.7%		5.0%		469.9%	

Source: Hausrath Economics Group

**TABLE C-6
LAND RESIDUAL ANALYSIS FOR RESIDENTIAL DEVELOPMENT PROTOTYPES -
WITH INCLUSIONARY HOUSING IN-LIEU FEE
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS**

	Prototype A Low-rise Townhomes / Row Houses East Oakland / West Oakland		Prototype B Low-rise Lofts / Townhomes North Oakland / West Oakland		Prototype C Lower-rise Condos East Oakland / West Oakland		Prototype D Lower/Mid-rise Condos North Oakland / East Estuary	
<u>Development Characteristics</u>								
Construction Type	wood		wood		wood frame on concrete podium		wood frame over concrete podium	
Height	3 floors including garage		3 floors including garage		3 flrs over 1 pkg on some/all site		4-5 floors over 1 level parking	
Parking Location	garages in units		indiv. garages / surface parking		podium/surface; above grade		podium; above grade	
Parking Ratio	2 spaces/du		2 spaces/du		1 space/du; some buyer-opted lifts		1 space/du; some buyer-opted lifts	
Average Unit Size	1,300 sf		1,450 sf		1,080 sf		1,125 sf	
Bedroom Mix	65% 2 BR; 35% 3 BR		50% 2 BR; 50% 2+3 BR		32% 1 BR; 32% 2 BR; 36% 3 BR		5%ST/35%1BR/50%2BR/10%3BR	
Density	30-35 units/acre		30-35 units/acre		50-60 units/acre		80-100 units/acre	
Location in City	East Oakland / West Oakland		North Oakland / West Oakland		East Oakland / West Oakland		North Oakland / East Estuary	
<u>Development Costs</u>								
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Hard Construction	\$200.00	\$260,000	\$210.00	\$304,500	\$200.00	\$216,000	\$250.00	\$281,250
Government Permits and Fees	\$10.77	\$14,000	\$10.34	\$15,000	\$12.50	\$13,500	\$12.89	\$14,500
Other Soft Costs	\$43.23	\$56,200	\$49.66	\$72,000	\$50.65	\$54,700	\$62.22	\$70,000
Inclusionary Housing Fee	\$27.62	\$35,900	\$26.73	\$38,760	\$31.68	\$34,210	\$23.45	\$26,380
Construction Financing	\$10.46	\$13,600	\$12.48	\$18,100	\$13.80	\$14,900	\$19.73	\$22,200
Total Development Costs	\$292.08	\$379,700	\$309.21	\$448,360	\$308.63	\$333,310	\$368.29	\$414,330
Return for Development	\$49.65	\$64,500	\$52.57	\$76,200	\$52.47	\$56,700	\$69.98	\$78,700
<u>Revenue</u>								
Residential Sales	\$367.69	\$478,000	\$413.79	\$600,000	\$365.74	\$395,000	\$502.22	\$565,000
(Less) Sales Expenses	(\$12.85)	(\$16,700)	(\$14.48)	(\$21,000)	(\$12.78)	(\$13,800)	(\$17.56)	(\$19,750)
Sales Net of Sales Expenses	\$354.84	\$461,300	\$399.31	\$579,000	\$352.96	\$381,200	\$484.66	\$545,250
(Less) Development Costs	(\$292.08)	(\$379,700)	(\$309.21)	(\$448,360)	(\$308.63)	(\$333,310)	(\$368.29)	(\$414,330)
(Less) Return for Development	(\$49.65)	(\$64,500)	(\$52.57)	(\$76,200)	(\$52.47)	(\$56,700)	(\$69.98)	(\$78,700)
Land Residual	\$13.11	\$17,100	\$37.53	\$54,440	(\$8.14)	(\$8,810)	\$46.39	\$52,220
Land Exclusive of Financing	\$12.64	\$16,500	\$36.02	\$52,200	(\$7.78)	(\$8,400)	\$43.91	\$49,400
Per Square Foot Site	\$11 - \$13		\$36 - \$42		-\$10 - -\$12		\$91 - \$113	
Land as % of Base Case	28.3%		53.5%		-26.6%		61.1%	

Source: Hausrath Economics Group

TABLE C-6 (continued)
LAND RESIDUAL ANALYSIS FOR RESIDENTIAL DEVELOPMENT PROTOTYPES -
WITH INCLUSIONARY HOUSING IN-LIEU FEE
CITY OF OAKLAND INCLUSIONARY HOUSING ANALYSIS

	<u>Prototype E</u> <u>Mid-rise Condos</u> <u>Downtown</u>		<u>Prototype F</u> <u>Mid-rise Condos</u> <u>Downtown</u>		<u>Prototype G</u> <u>High-rise Condos</u> <u>Downtown</u>	
<u>Development Characteristics</u>						
Construction Type	wood frame on concrete podium		steel/concrete		steel/concrete	
Height	4-6 floors over parking		6-8 floors over parking		9-16 floors over parking	
Parking Location	podium; above grade		largely above grade		above/below grade	
Parking Ratio	1 space/du; some buyer-opted lifts		1 space/du		1 space/du	
Average Unit Size	900 sf		1,000 sf		975 sf	
Bedroom Mix	30% 1 BR; 60% 2 BR; 10% 3 BR		40% 1 BR; 55% 2 BR; 5% 3 BR		10% ST/45% 1BR/35% 2BR/10% 3BR	
Density	100-140 units/acre		140-167 units/acre		200-300 units/acre	
Location in City	Downtown / Jack London		Downtown / Jack London		Downtown / Jack London	
<u>Development Costs</u>						
	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>Per Unit</u>
Hard Construction	\$296.00	\$266,400	\$330.00	\$330,000	\$370.00	\$360,750
Government Permits and Fees	\$15.56	\$14,000	\$15.00	\$15,000	\$16.41	\$16,000
Other Soft Costs	\$75.56	\$68,000	\$70.00	\$70,000	\$76.00	\$74,100
Inclusionary Housing Fee	\$31.09	\$27,980	\$25.97	\$25,970	\$24.87	\$24,250
Construction Financing	\$23.67	\$21,300	\$29.30	\$29,300	\$34.67	\$33,800
Total Development Costs	\$441.88	\$397,680	\$470.27	\$470,270	\$521.95	\$508,900
Return for Development	\$83.96	\$75,600	\$98.76	\$98,800	\$122.66	\$119,600
<u>Revenue</u>						
Residential Sales	\$600.00	\$540,000	\$588.00	\$588,000	\$625.64	\$610,000
(Less) Sales Expenses	(\$21.00)	(\$18,900)	(\$20.60)	(\$20,600)	(\$21.90)	(\$21,350)
Sales Net of Sales Expenses	\$579.00	\$521,100	\$567.40	\$567,400	\$603.74	\$588,650
(Less) Development Costs	(\$441.88)	(\$397,680)	(\$470.27)	(\$470,270)	(\$521.95)	(\$508,900)
(Less) Return for Development	(\$83.96)	(\$75,600)	(\$98.76)	(\$98,800)	(\$122.66)	(\$119,600)
Land Residual	\$53.16	\$47,820	(\$1.63)	(\$1,670)	(\$40.87)	(\$39,850)
Land Exclusive of Financing	\$50.31	\$45,300	(\$1.53)	(\$1,600)	(\$38.15)	(\$37,200)
Per Square Foot Site	\$104 - \$146		-\$5 - -\$6		-\$171 - -\$257	
Land as % of Base Case	57.6%		-5.3%		509.6%	

Source: Hausrath Economics Group

APPENDIX D

TABLES SUMMARIZING THE COSTS OF ALTERNATIVE ORDINANCE PARAMETERS

**TABLE D-1 - Sensitivity Testing
SUMMARY OF COSTS OF ALTERNATIVE INCLUSIONARY REQUIREMENTS
Testing of Different Percentages of Affordable Units**

ON-SITE COMPLIANCE

Prototype	15% Req.	10% Req.	5% Req.
A	\$37,500	\$25,000	\$12,500
B	\$54,800	\$36,600	\$18,200
C	\$26,500	\$17,500	\$8,800
D	\$52,300	\$35,100	\$17,200
E	\$48,400	\$32,400	\$16,000
F	\$55,900	\$37,100	\$18,300
G	\$59,300	\$39,700	\$19,600

OFF-SITE COMPLIANCE /a/

Prototype	20% Req.	15% Req.	10% Req.	5% Req.
A	\$26,800	\$20,000	\$13,800	\$6,900
B	\$29,400	\$21,600	\$14,700	\$7,800
C	\$25,600	\$18,300	\$13,000	\$6,500
D	\$25,100	\$19,200	\$12,800	\$7,400
E	\$26,700	\$19,700	\$13,400	\$7,400
F	\$24,900	\$18,300	\$13,500	\$7,500
G	\$23,300	\$18,200	\$12,500	\$7,000

IN-LIEU FEE OPTION

Prototype	20% Req.	15% Req.	10% Req.	5% Req.
A	\$37,200	\$28,600	\$19,100	\$9,500
B	\$40,300	\$30,700	\$20,200	\$10,600
C	\$35,700	\$26,700	\$18,100	\$9,100
D	\$27,800	\$22,300	\$14,200	\$6,100
E	\$29,500	\$22,900	\$14,700	\$8,100
F	\$27,600	\$21,500	\$14,900	\$8,200
G	\$25,900	\$21,500	\$13,800	\$7,700

NOTE: All alternatives assume affordability levels at 100% AMI, consistent with the proposal in the City's draft ordinance of October 2006.

/a/ Costs for off-site compliance may be underestimated, as there would be additional hassles and risks associated with developing two projects in the same timeframe, the costs of which cannot be readily quantified.

Source: Hausrath Economics Group, with inputs from Vernazza Wolfe Associates, Inc. and City of Oakland.

**TABLE D-2
MAXIMUM AFFORDABLE SALES PRICES BASED ON STATE FORMULA FOR AFFORDABILITY UP TO 120% AMI**

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Household Size	1	2	3	4	5
Maximum Household Income @120% AMI	\$70,400	\$80,500	\$90,500	\$100,600	\$108,600
Household Income Amount for Calculation (110% AMI)	\$64,534	\$73,792	\$82,959	\$92,217	\$99,550
Maximum Monthly Housing Cost	\$1,882	\$2,152	\$2,420	\$2,690	\$2,904
Down Payment (5%)	\$10,015	\$11,617	\$13,139	\$14,662	\$15,703
Interest Rate	6.875%	6.875%	6.875%	6.875%	6.875%
Principal & Interest per month	\$1,250	\$1,450	\$1,640	\$1,830	\$1,960
Utility Allowance per month	\$107	\$114	\$126	\$145	\$191
Maintenance Reserve per month	\$25	\$25	\$25	\$25	\$25
Homeowner Association Dues per month	\$100	\$100	\$100	\$100	\$100
Property Taxes per month	\$220	\$256	\$289	\$323	\$345
Private Mortgage Insurance	\$122	\$142	\$160	\$179	\$191
Hazard and Casualty Insurance per month	\$58	\$68	\$77	\$86	\$92
Maximum Mortgage Amount	\$190,279	\$220,724	\$249,647	\$278,569	\$298,358
Maximum Affordable Sales Price	\$200,294	\$232,341	\$262,786	\$293,231	\$314,061

- (1) Assumptions: 120% AMI - Affordability calculated on the basis of 35% of 110% AMI.
(2) Interest Rate is based on the following calculation: 6.23% based on 30-year fixed rate as defined by FNMA's Required Net Yield Rate for 1/25/07 plus .625%, rounded to 6.875%.
(3) Utility Allowance is based on OHA's Schedule for Apartments and assumes all electric, water, and garbage. Used energy-efficient allowances.
(4) Property Taxes are assumed to be 1.32% of sales price.
(5) Private Mortgage Insurance is assumed to be 0.77% of the first mortgage amount.
(6) Hazard and Casualty Insurance is assumed to be .35% of the sales price.

Source: Vernazza Wolfe Associates, Inc. and the City of Oakland

TABLE D-3
HOUSING AFFORDABILITY USING CONVENTIONAL UNDERWRITING STANDARDS EXPRESSED AS A PERCENTAGE OF AREA MEDIAN INCOME
MAXIMUM SALES PRICES FOR HOUSEHOLDS UP TO 120% AMI

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Household Size	1	2	3	4	5
Median Household Income (100% AMI)	\$58,667	\$67,083	\$75,417	\$83,833	\$90,500
Interest Rate	6.875%	6.875%	6.875%	6.875%	6.875%
Principal & Interest per month	\$1,250	\$1,450	\$1,640	\$1,830	\$1,960
Homeowner Association Dues per month	\$100	\$100	\$100	\$100	\$100
Property Taxes per month	\$220	\$256	\$289	\$323	\$345
Private Mortgage Insurance	\$122	\$142	\$160	\$179	\$191
Total Monthly Costs for Underwriting	\$1,692	\$1,947	\$2,189	\$2,431	\$2,597
Minimum Monthly Income Required	\$4,231	\$4,868	\$5,473	\$6,078	\$6,492
Minimum Annual Income Required	\$50,773	\$58,416	\$65,678	\$72,939	\$77,907
Percent of Median Income	87%	87%	87%	87%	86%

(1) Interest Rate is based on the following calculation: 6.23% based on 30-year fixed rate as defined by FNMA's Required Net Yield Rate for 1/25/07 plus .625%, rounded to 6.875%.

(2) Property Taxes are assumed to be 1.32% of sales price.

(3) Private Mortgage Insurance is assumed to be 0.77% of the first mortgage amount.

(4) Housing costs as a percentage of gross income assumed to be 40%.

Source: Vernazza Wolfe Associates, Inc. and the City of Oakland

**TABLE D-4: MAXIMUM AFFORDABLE SALES PRICES BASED ON STATE FORMULA FOR AFFORDABILITY UP TO 120% AMI
AND ASSUMING 6.39775% MORTGAGE INTEREST RATE**

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four-Bedrooms
Household Size	1	2	3	4	5
Maximum Household Income @120% AMI	\$70,400	\$80,500	\$90,500	\$100,600	\$108,600
Household Income Amount for Calculation (110% AMI)	\$64,534	\$73,792	\$82,959	\$92,217	\$99,550
Maximum Monthly Housing Cost	\$1,882	\$2,152	\$2,420	\$2,690	\$2,904
Down Payment (5%)	\$10,352	\$12,035	\$13,634	\$15,233	\$16,285
Interest Rate	6.39775%	6.39775%	6.39775%	6.39775%	6.39775%
Principal & Interest per month	\$1,230	\$1,430	\$1,620	\$1,810	\$1,935
Utility Allowance per month	\$107	\$114	\$126	\$145	\$191
Maintenance Reserve per month	\$25	\$25	\$25	\$25	\$25
Homeowner Association Dues per month	\$100	\$100	\$100	\$100	\$100
Property Taxes per month	\$228	\$265	\$300	\$335	\$358
Private Mortgage Insurance	\$126	\$147	\$166	\$186	\$199
Hazard and Casualty Insurance per month	\$60	\$70	\$80	\$89	\$95
Maximum Mortgage Amount	\$196,687	\$228,669	\$259,051	\$289,434	\$309,422
Maximum Affordable Sales Price	\$207,039	\$240,704	\$272,686	\$304,667	\$325,708

- (1) Assumptions: 120% AMI - Affordability calculated on the basis of 35% of 110% AMI.
- (2) Interest Rate is based on the following calculation: 6.39775% based on 30-year fixed rate as defined by FNMA's Required Net Yield Rate for 6/1/07.
- (3) Utility Allowance is based on OHA's Schedule for Apartments and assumes all electric, water, and garbage. Used energy-efficient allowances.
- (4) Property Taxes are assumed to be 1.32% of sales price.
- (5) Private Mortgage Insurance is assumed to be 0.77% of the first mortgage amount.
- (6) Hazard and Casualty Insurance is assumed to be .35% of the sales price.

Source: Vernazza Wolfe Associates, Inc. and the City of Oakland

TABLE D-5
SUMMARY OF OFF-SITE COSTS BY UNIT SIZE UNDER ALTERNATIVE AFFORDABLE SALES PRICES,
COMPARED WITH THE PROPOSED ORDINANCE SCENARIO

	Studio /a/	One-Bedroom	Two- Bedrooms	Three- Bedrooms	Four- Bedrooms
<i>For Prototypes D, E, F, and G - Costs Based on Three Projects (A, C and D)</i>					
Unit Size	500	700	900	1,200	1,350
Proposed Ordinance Case @ State-defined 100% AMI (6.875% Interest Rate)	\$31,500	\$82,900	\$132,700	\$223,300	\$263,700
Off-Site Costs @ State-defined 120% AMI (6.875% Interest Rate)	(\$10,300)	\$33,700	\$79,200	\$162,800	\$198,900
Off-Site Costs @ State-defined 120% AMI and Lower 6.39775% Mortgage Interest Rate	(\$17,000)	\$25,300	\$69,300	\$151,300	\$187,300
<i>For Prototypes A, B, and C - Based on Two Projects (A and C)</i>					
Proposed Ordinance Case @ State-defined 100% AMI (6.875% Interest Rate)	\$14,000	\$58,400	\$101,200	\$181,300	\$216,400
Off-Site Costs @ State-defined 120% AMI (6.875% Interest Rate)	(\$27,800)	\$9,200	\$47,700	\$120,800	\$151,700
Off-Site Costs @ State-defined 120% AMI and Lower 6.39775% Mortgage Interest Rate	(\$34,500)	\$800	\$37,800	\$109,300	\$140,000

/a/ Negative values are included in the sensitivity testing of the impacts of alternative off-site costs.
All numbers are rounded.

Sources: Hausrath Economics Group, Vernazza Wolfe Associates, Inc. and City of Oakland

TABLE D-6
SUMMARY OF IN-LIEU FEES BY UNIT SIZE UNDER ALTERNATIVE AFFORDABLE SALES PRICES,
COMPARED WITH THE PROPOSED ORDINANCE SCENARIO

	Studio /a/	One-Bedroom	Two- Bedrooms	Three- Bedrooms	Four- Bedrooms
Unit Size in Square Feet	500	700	900	1,200	1,350
Proposed Ordinance In-Lieu Fee @ State-defined 100% AMI (6.875% Interest Rate)	\$39,000	\$93,400	\$146,200	\$241,300	\$283,900
In-Lieu Fee @ State-defined 120% AMI (6.875% Interest Rate)	(\$2,800)	\$44,200	\$92,700	\$180,800	\$219,200
In-Lieu Fee @ State-defined 120% AMI and Lower 6.39775% Mortgage Interest Rate	(\$9,500)	\$35,800	\$82,800	\$169,300	\$207,500

/a/ Negative values are included in the analysis as zeros. In other words, under this alternative, it is assumed in the sensitivity testing that there is no fee for studio units.
All numbers are rounded.

Sources: Vernazza Wolfe Associates, Inc. and Hausrath Economics Group.

**TABLE D-7 - Sensitivity Testing
SUMMARY OF COSTS OF ALTERNATIVE INCLUSIONARY REQUIREMENTS
Testing of Different Affordable Sales Prices for Inclusionary Units**

**ON-SITE COMPLIANCE
Based on State Formula for Affordability Up to:**

Prototype	100% AMI	120% AMI	120% AMI + Lower Int. Rate
A	\$37,500	\$29,400	\$27,900
B	\$54,800	\$46,500	\$44,900
C	\$26,500	\$18,600	\$17,100
D	\$52,300	\$44,600	\$43,200
E	\$48,400	\$40,700	\$39,300
F	\$55,900	\$48,300	\$46,900
G	\$59,300	\$51,700	\$50,400

**OFF-SITE COMPLIANCE /a/
Based on State Formula for Affordability Up to:**

Prototype	100% AMI	120% AMI	120% AMI + Lower Int. Rate
A	\$26,800	\$15,200	\$13,000
B	\$29,400	\$17,500	\$15,300
C	\$25,600	\$14,100	\$11,900
D	\$25,100	\$14,100	\$12,200
E	\$26,700	\$15,600	\$13,600
F	\$24,900	\$13,900	\$11,900
G	\$23,300	\$12,400	\$10,500

**IN-LIEU FEE OPTION
Based on State Formula for Affordability Up to:**

Prototype	100% AMI	120% AMI	120% AMI + Lower Int. Rate
A	\$37,200	\$25,600	\$23,400
B	\$40,300	\$28,400	\$26,200
C	\$35,700	\$24,200	\$22,100
D	\$27,800	\$16,800	\$14,900
E	\$29,500	\$18,300	\$16,300
F	\$27,600	\$16,500	\$14,500
G	\$25,900	\$15,000	\$13,200

NOTE: All alternatives assume 15% on-site and 20% offsite/in-lieu fee requirements, consistent with the proposal in the City's draft ordinance of October 2006.

/a/ Costs for off-site compliance may be underestimated, as there would be additional hassles and risks associated with developing two projects in the same timeframe, the costs of which cannot be readily quantified.

Source: Hausrath Economics Group, with inputs from Vernazza Wolfe Associates, Inc. and City of Oakland.

**TABLE D-8 - Sensitivity Testing
SUMMARY OF COSTS OF ALTERNATIVE INCLUSIONARY REQUIREMENTS
Testing of Different Percentages of Inclusionary Units
with Affordability Based on State Formula for Affordability Up to 120% AMI**

ON-SITE COMPLIANCE

Prototype	15% Req.	10% Req.	5% Req.
A	\$29,400	\$19,600	\$9,800
B	\$46,500	\$31,100	\$15,400
C	\$18,600	\$12,200	\$6,100
D	\$44,600	\$30,000	\$14,600
E	\$40,700	\$27,300	\$13,400
F	\$48,300	\$32,000	\$15,700
G	\$51,700	\$34,700	\$17,000

OFF-SITE COMPLIANCE /a/

Prototype	20% Req.	15% Req.	10% Req.
A	\$15,200	\$12,000	\$8,000
B	\$17,500	\$13,500	\$8,800
C	\$14,100	\$10,400	\$7,200
D	\$14,100	\$11,900	\$7,300
E	\$15,600	\$12,400	\$7,800
F	\$13,900	\$11,100	\$7,900
G	\$12,400	\$11,100	\$6,900

IN-LIEU FEE OPTION

Prototype	20% Req.	15% Req.	10% Req.
A	\$25,600	\$19,900	\$13,200
B	\$28,400	\$21,800	\$14,200
C	\$24,200	\$18,000	\$12,300
D	\$16,800	\$14,000	\$8,600
E	\$18,300	\$14,000	\$9,200
F	\$16,500	\$13,100	\$9,200
G	\$15,000	\$13,100	\$8,200

/a/ Costs for off-site compliance may be underestimated, as there would be additional hassles and risks associated with developing two projects in the same timeframe, the costs of which cannot be readily quantified.

Source: Hausrath Economics Group, with inputs from Vernazza Wolfe Associates, Inc. and City of Oakland.